



URBAN DEVELOPMENT INSTITUTE - CALGARY

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To all candidates for Calgary mayor and council,

First let me commend you on putting your names forward to serve our community.

Public life is an all-consuming job and a huge responsibility, and I know all Calgarians appreciate your willingness to seek the opportunity to engage in this very important work.

With a recent poll showing one in four Calgarians see development in our city as a major issue, I felt it was appropriate and necessary to raise some important issues that need a full and fair airing over these next weeks.

Ours is an industry that contributes greatly to the economic wellbeing and growth of our city, yet is grossly misunderstood. I represent an industry that knows the great potential of this city can be realized when we find ways to improve the municipal-industry relationship and work together on direction-setting, priorities and policies.

Builders and developers are the second most important economic engine in Calgary after the energy sector. The industry employs 37,000 people and generated \$5.2 billion in economic activity in 2012.

As well, our members are philanthropists, noted for building communities; not just with bricks and mortar, but also with donations of time, energy and money to important social needs and community causes. As an example, after the flood, industry members raised \$1.7 million in cash for various not-for-profit agencies, and that doesn't include volunteer hours, labour, equipment and supplies.

Here are some of the most common and widely held misconceptions about the industry, with some important facts to help you understand the reality.

1/ FALSE: Builders and developers only want to build new Greenfield communities on the periphery ('paving the prairie').

2/ FALSE: Builders and developers have no interest in adhering to the Municipal Development Plan (MDP) which calls for accelerated re-development in established areas plus a concentrated effort to increase density.

3/ FALSE: Industry doesn't pay its 'fair share' of development costs.

4/ FALSE: There is lots of serviced land on the city's periphery to prevent shortages and improve affordability.

5/ FALSE: There is a simple city process that allows densification in mature communities.

6/ FALSE: Taxpayers in mature communities "subsidize" development in newer communities.

The reality is this – builders and developers support choice.

1/ TRUE: Industry believes you should have the ability to choose where and how you want to live.

If you want a three-bedroom house with a patch of lawn for your kids to play on, great. If your lifestyle leans more towards condo living with an easy walk to the bus or LRT station, perfect. We support all kinds of development, everywhere in the city.

2/ TRUE: Builders and developers follow and respect the direction of city and council. In 2009 the MDP was implemented and sets a new course in development for the next 30 years. The industry has adjusted accordingly. Developers can't build wherever and whenever they want, they need myriad of approvals. The MDP calls for a balance of development in new and mature communities – which the industry supports.

3/ TRUE: The industry pays 100 per cent for everything except for half of two water services. These are the water that comes out of the tap and the water that goes down the toilet. These services cost \$72,000 per hectare, and are paid for by the Utility that all the people in the new community contribute to, along with all other Calgarians.

The last agreement with the city in 2011 raised the levy on community development. To put this in perspective, the industry paid \$52,000 per hectare in 2001. In 2013 the levy is now \$316,000 per hectare.

4/ TRUE: There is not "lots of" serviced land on the periphery. Accounting for the time it takes to get approvals, it will take years for new serviced land supply to come on stream. There is a looming shortage that will work against availability and affordability, and it needs to be addressed immediately.

5/ TRUE: In terms of densification for mature communities, there is no simplified and streamlined process that allows multi-family builders and developers to meet the goals and aspirations of the MDP.



Put simply, the city wants densification in mature communities, but has not created the environment to allow multi-family development to happen in a timely fashion.

This is particularly concerning, as multi-family development is a key component of densification.

6/ TRUE: Calgarians don't subsidize Calgarians based on where they live. This is the worst kind of wedge politics that pits neighbour-against-neighbour. For decades, the city has annexed land to grow the UniCity. The key reasons for this is to control growth in the periphery, and make sure all tax revenues go to city coffers

According to Calgary.ca, the UniCity concept promotes fiscal fairness and equity in the Calgary region through an approach to governance whereby all urban development remains under one municipal jurisdiction.

Regions don't subsidize regions. Calgarians are an egalitarian bunch when it comes to property taxes.

Thank you all for your attention to these very important issues.

Democracy and successful election campaigns rely on thorough consideration of all relevant facts and figures.

Thank you in advance for giving your full attention to this important information about the future of housing affordability and choice for Calgarians.

Sincerely,

Guy Huntingford
CEO
Urban Development Institute